



EcoPinion

Climate Change and Consumers:
The Challenge Ahead

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Prepared By:

Jamie Wimberly
CEO, EcoAlign

www.ecoalign.com

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Summary

EcoAlign, a strategic marketing agency focused on energy and the environment, conducted a total of 1,000 online interviews in October 2008. The sample is balanced to match the U.S. population by age, gender, region and ethnicity.

This fifth EcoPinion Survey focuses on consumers and climate change: customer feelings and levels of personal responsibility in regard to reducing climate change, willingness to take action and what type of actions, perceptions of costs, who should pay and how new revenue should be used. The results provide further evidence of a green gap between high levels of consumer understanding and concern over climate change balanced against conflicted feelings of personal responsibility to “do something” about climate change.

Americans generally are aware of what climate change is and how it affects them personally, connecting climate change mainly to impacts on tangible occurrences in their lives including the weather (observable) or heat/warmth (felt). A growing number of Americans, especially women, are worried about the impact of climate change on them personally. As a result, approximately one half of all Americans believe that it is either “extremely important” or “very important” to reduce the negative impacts of climate change. Another 22 percent believe it is “important.”

Yet, the green gap between stated intentions (e.g., the intellectual response to the “importance” question) versus actions (behavior) is very evident. American consumers are conflicted about individual actions and costs associated with climate change. On the one hand, Americans recognize that they have individual responsibility to change their consumption behavior and/or purchasing decisions. On the other hand, the responses about what to do with that responsibility are somewhat contradictory and conflicting:

- ❖ Most Americans believe that it will cost them nothing or very little to impact climate change
- ❖ Most Americans would be dissatisfied to extremely dissatisfied if they had to pay 10 percent more for electricity due to climate change
- ❖ Corporations, especially polluters, should have primary responsibility to pay extra before individuals are asked to
- ❖ Government should have the primary responsibility to use and administer any new funds to reduce climate change

To a much greater degree than past EcoPinion surveys, there were marked and statistically significant differences between men and women, among income classes, and especially between Democrats and Republicans.

The survey results point to the challenge ahead of bringing Americans together on the importance of climate change and the actions required to effectively manage climate change. Consensus breaks down quickly on questions of “how” or specific actions to be taken. Political and business leaders need to confront the challenge by: 1) educating consumers on what climate change means to them personally, 2) engaging consumers to take actions that have a discernible impact on climate change, and 3) managing any additional costs connected to climate change.

The challenge ahead to change consumer perceptions and behavior in regard to climate change is immense. If not handled properly, especially if there is a real or perceived jump in the cost to consumers, EcoAlign predicts a substantial backlash. A new kind of marketing – cell activation marketing – should focus on activating cells of believers in critical audiences to promote transformation. A segmented approach uses tailored messages, credible messengers and peer-to-peer engagement to increase awareness and adoption rates significantly in the near term.

Top Line Findings

Points of consensus (of a majority of Americans surveyed):

1. **Consumers are in general agreement regarding the meaning of climate change.** When consumers were asked for the first word or association that comes to mind when they hear “climate change,” approximately one half of all Americans (45 percent) associated “climate change” with “global warming” or the “environment,” and another 32 percent associated climate change with “weather” or “temperature.”

2. **Reducing climate change is important.** One half of all Americans surveyed (50 percent) indicated that reducing climate change was “extremely important” or “very important” to them individually. Another 22 percent indicated that it was “important.”
3. **Individuals have an important role to play to reduce climate change but are not confident in their personal ability to do so.** Approximately one half (46 percent) of Americans surveyed believe individual citizens have the primary responsibility to reduce climate change, followed by the federal government (25 percent) and oil, gas and coal companies (10 percent). A majority of Americans (53 percent) were only “somewhat confident” or “not confident” that they personally can impact climate change through your own actions and purchasing decisions. Only 15 percent of Americans surveyed were “very confident” that they could make a personal impact.
4. **The nation can afford to pay for the costs to manage climate change.** When the respondents were asked if they agree or disagree that the nation can afford to pay for the costs to manage climate change, 45 percent of Americans either strongly agree (14 percent) or agree (31 percent) that the nation can afford to pay for the costs to manage climate change.
5. **Polluters should pay first.** “Higher penalties on companies that contribute to climate change” was clearly the top response (61 percent) on the best way for society to pay for the costs of managing climate change, a nearly 45 percent differential with the next top response (16 percent) indicating “higher fees on products or services that contribute to climate change.”

Points of statistically important divergence (less than a majority surveyed) between respondents include:

6. **Consumers differ on specific actions to be taken based on political affiliation, income and demographics.** However, when asked to compare two discrete pairings of alternative actions that they personally could take to impact climate change, respondents consistently chose options to save or use less than options associated with paying more for green products and services.
7. **Costs and ability to pay are issues that divide people.** Almost one third (32 percent) of Americans believes that “nothing” is required to increase utility bills to manage climate change in the future. Another 44 percent felt that the price increase required would be less than 10 percent. One third of Americans (33 percent) would be very dissatisfied (indicating a 1, 2 or 3 on the sliding scale) if they had to pay 10 percent

more on their electricity bill compared to 22 percent that would be very satisfied (indicating a 7, 8, 9 or 10 on the sliding scale).

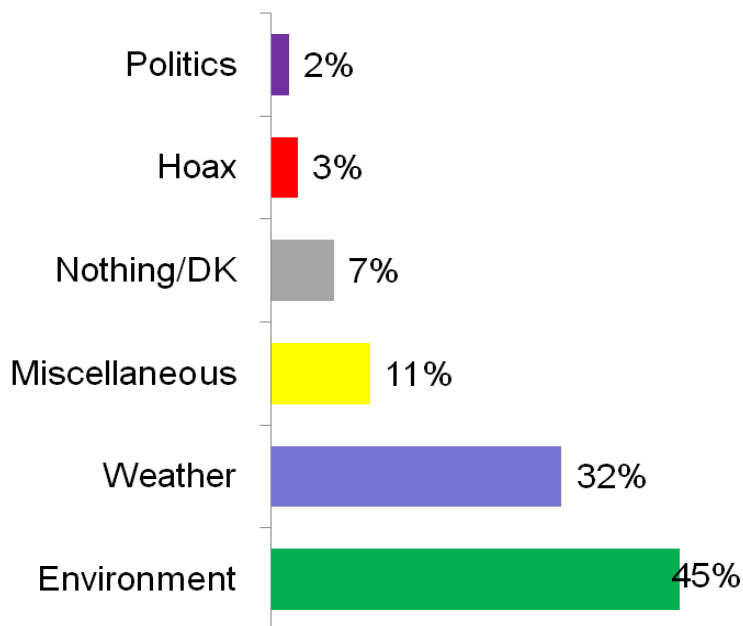
8. **Consumers differ on how additional tax revenue should be spent on managing climate change.** Approximately one third of Americans (32 percent) believe that any additional tax revenue connected to climate change should be spent on research and development of alternative and clean sources of energy. The next top responses were “new utility programs to be used by customers for energy efficiency and renewable energy” (19 percent) and “subsidies and tax credits to help people buy renewable and/ or energy efficient equipment for their homes (18 percent).
9. **The role of government is perceived through a political lens, and is therefore potentially divisive.** Forty percent of Americans surveyed believe that some forms of government (federal, 27 percent, and state, 13 percent) are in the best position to use and administer new funds to reduce climate change. The next highest responses were “alternative/ renewable energy companies” (18 percent) followed by “individuals” (15 percent). Acceptance of the role of government, however, is highly dependent on political affiliation and was the source of significant statistical variations.
10. **While Americans generally understand the broad concept of climate change, many differences exist on the specifics.** Respondents were given a definition of climate change. One of the many definitions of climate change is any long-term significant change in the “average weather” that a given region experiences. The term is linked to global warming, an increase in the average measured temperature of the Earth’s near-surface air and oceans since the mid-20th century, and its projected continuation. Respondents were then asked how much they agree with the definition. Only 41 percent of Americans strongly agree (indicated 8, 9 or 10) with the provided definition. Of those who did not completely agree with the definition, a sampling of the reasons include:
 - ❖ 18 percent take issue with the science and/or the technical elements in the definition
 - ❖ 5 percent felt that the definition lacked the “human element,” notably human contributions to global warming
 - ❖ 15 percent felt that the definition did not include the political element or that it was hard to believe, with a number of respondents in this group feeling that climate change is a “hoax” or “overplayed”

Consumer Associations with Climate Change

One of the first challenges in putting together the survey instrument was what term to use. “Global warming,” “greenhouse gas emissions,” “carbon” and other terms are variously used, sometimes interchangeably, to touch on issues of climate change. As previous EcoPinion survey results indicate, words matter. We felt that the use of “climate change” was the most widely understood and neutral term from the perspective of the respondents.

Yet, it was important to test the consumer associations with climate change. When consumers were asked for the first word or association that comes to mind when they hear “climate change,” approximately one half of all Americans (45 percent) associated “climate change” with “global warming” or the “environment.” Another third of all Americans (32 percent) associated climate change with “weather” or “temperature.” This signals that recent efforts to sensitize people about climate change, combined with increased media coverage and abnormal weather patterns, have resulted in greater awareness of climate change.

Q1. When you hear the word “climate change,” what is the first word or association that comes to mind?



There were, however, significant differences among the respondents:

- ❖ Of those who answered “weather,” significantly more were respondents (35%) with household incomes (HHI) under \$50,000 and with no college (39%) versus those making \$50,000 or more (28%) or those with a college education (29%)

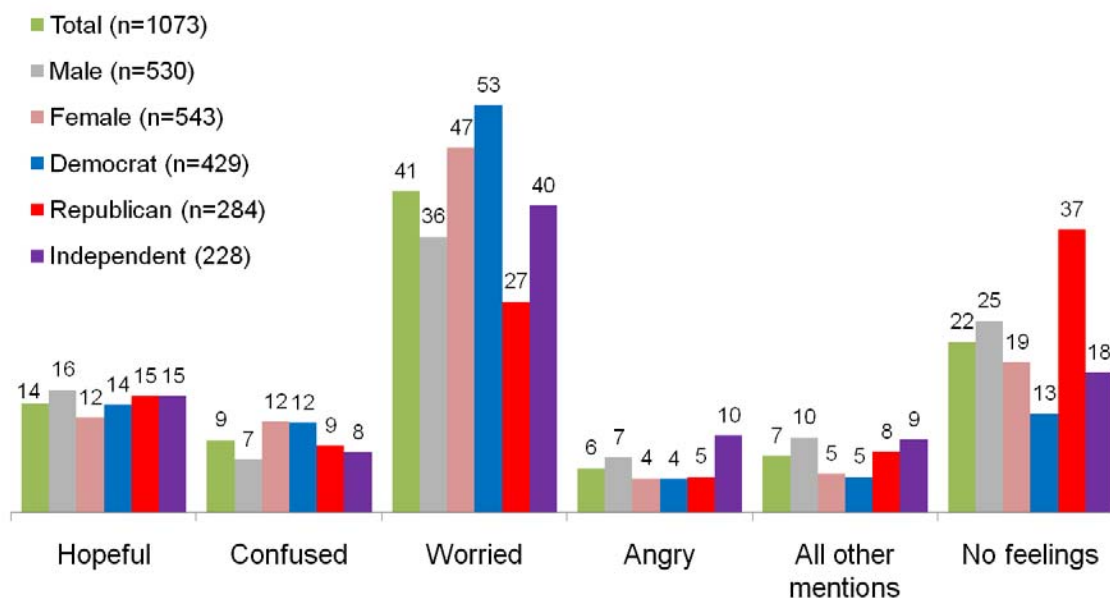
- ❖ Significantly more Democrats (51%) than Republicans (41%) or Independents (45%) mentioned the environment
- ❖ Those under age 55 (31%) were more likely than those 55+ (24%) to mention global warming
- ❖ Five percent of the respondents answered “don’t know”

Finally, as we will touch on again in the survey report, there is a hard core group of Americans (approximately 5 percent) who firmly believe that climate change is a “hoax,” “lie,” “fake” and/or “politically-motivated.” Older men (55+) who are Republicans are more likely to hold these views on climate change.

Consumers Are Worried About Climate Change

Respondents were asked to describe their own feelings when thinking about climate change. “Worried” was the top answer (41 percent). Women were significantly more “worried” than men. “No feelings” was the next highest response (22 percent).

Q2. When thinking about climate change, how best would you describe your own feelings? (CHOOSE ONE)



For those respondents who answered either “worried” or “angry,” the survey explored the reasons behind those feelings. Of those who responded with “worried” or “angry,” approximately one half felt that “people aren’t paying enough attention” from the list of possible reasons offered. Of those who

responded with “angry,” another quarter of those respondents felt that “politicians don’t do anything about it.”

Males (23%) are more worried than females (14%) that politicians don’t do anything, while females (57%) are more worried than males (46%) about people not paying attention. Those respondents age 18-34 (26%) are more angry than their older counterparts that climate change will cost too much.

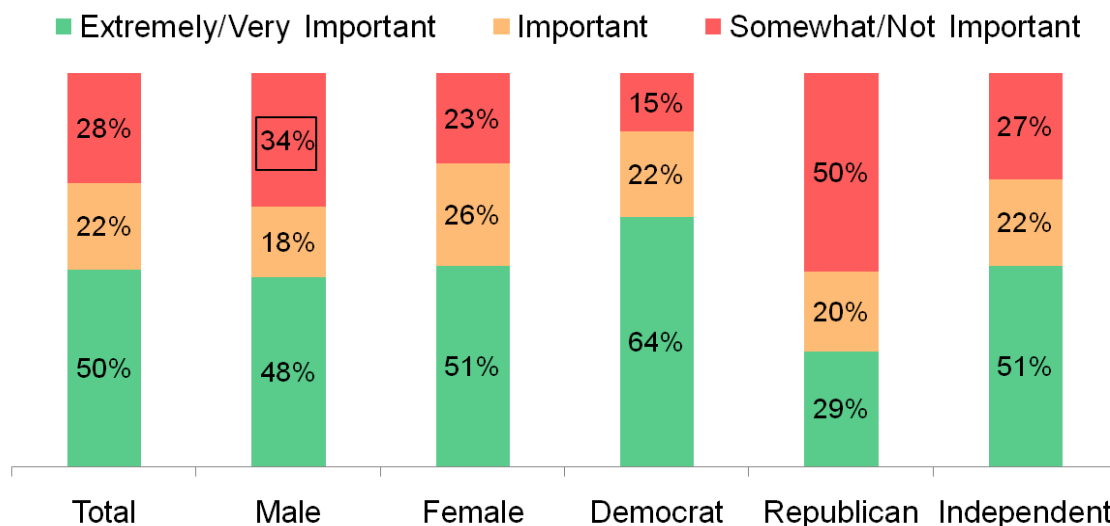
Politically, Democrats are the group most worried about climate change, while Republicans are more likely to say they have no feelings on the matter.

With respect to gender, women are the most worried, most confused and least hopeful. Women are ideal candidates for a focused marketing approach that can leverage their concerns and desire to learn more to stimulate action and involvement. Women are also a useful marketing target because they often make shopping decisions, manage the family budget and are involved in their kids’ activities at school and outside school.

Importance of Addressing Climate Change

One half of all Americans surveyed (50 percent) indicated that reducing climate change was “extremely important” or “very important” to them individually. Another 22 percent indicated that it was “important.” This finding could be looked at either as a glass either “half full” or “half empty.” The finding could be read as approximately one half of all Americans don’t feel a huge sense of personal urgency when it comes to addressing climate change.

Q3. How important is addressing climate change to you as an individual?



Significantly more respondents in the Western region of the U.S. (38%) felt climate change was “somewhat” or “not important” compared to their counterparts in the other three regions.

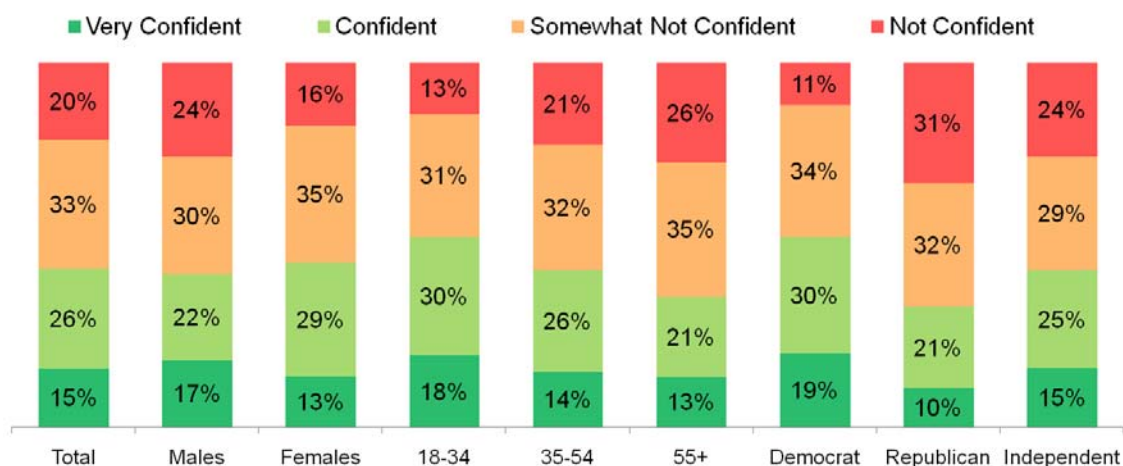
Additionally, unmarried respondents (58%) were more likely to feel that climate change is “extremely/very important” than those who are married (41%). This presents a marketing challenge and additional research is required. One might think that married couples with kids would be more attuned to the problem of climate change.

Finally, Democrats were twice as likely as Republicans to indicate that addressing climate change was “extremely important” to them personally.

Personal Confidence is Low to Impact Climate Change

Respondents were asked how confident they were that individual actions can impact climate change. A majority of Americans (53 percent) were only “somewhat confident” or “not confident” that they personally can impact climate change through your own actions and purchasing decisions. Only 15 percent of Americans surveyed were “very confident” that they could make a personal impact. Women are more confident than men about their ability to affect climate change on a personal level. Younger people (18-34) are more confident about the ability to influence climate change on an individual basis, indicating greater awareness of the causes and their actions. Both groups provide a marketing opportunity.

Q4: How confident are you that individual actions (e.g., purchasing green products and services) can impact climate change?



Consumers Opt to Save or Conserve Rather Than Pay

When asked to compare two discrete pairings of alternative actions that they personally could take to impact climate change, respondents consistently chose options to save or use less than options associated with paying more for green products and services.

Q5. Let's compare some alternative actions that you could take to impact climate change. For each comparison choose the response that you would most likely take.

- ❖ Drive less (51 percent) versus buy a more efficient car (49 percent).
- ❖ Use less energy in your home (56 percent) versus buy more energy efficient appliances (44 percent)
- ❖ Buy climate credits to maintain lifestyle (6 percent) versus reduce energy consumption (94 percent)
- ❖ Pay more for green products (19 percent) versus use less of products that cause climate change (94 percent)
- ❖ Pay higher electricity prices (12 percent) versus invest in renewable energy at your home (88 percent)
- ❖ Carpool (77 percent) versus pay higher fees or tolls to drive your own car (23 percent)
- ❖ Buy branded products sold nationally that have been certified to be climate friendly (40 percent) versus buy locally (60 percent)
- ❖ Recycle (92 percent) versus buy products that have organic packaging but cost more (8 percent), demonstrating that the concept of recycling is well understood and that there is a clear connection between recycling behavior and climate change

The finding with respect to electricity prices and renewable energy investments contrasts with earlier EcoPinion findings that showed renewable energy options are perceived as expensive and costly (hampering their adoption, especially among younger people). In our opinion, this points to consumers' strong views about energy prices increases rather than a willingness to embrace renewable energy options. Previous EcoPinion findings showed that Americans evaluate the economics of renewable energy options based on the immediate benefits, rather than long-term returns.

From the responses above, we can make general conclusions that a majority of Americans are:

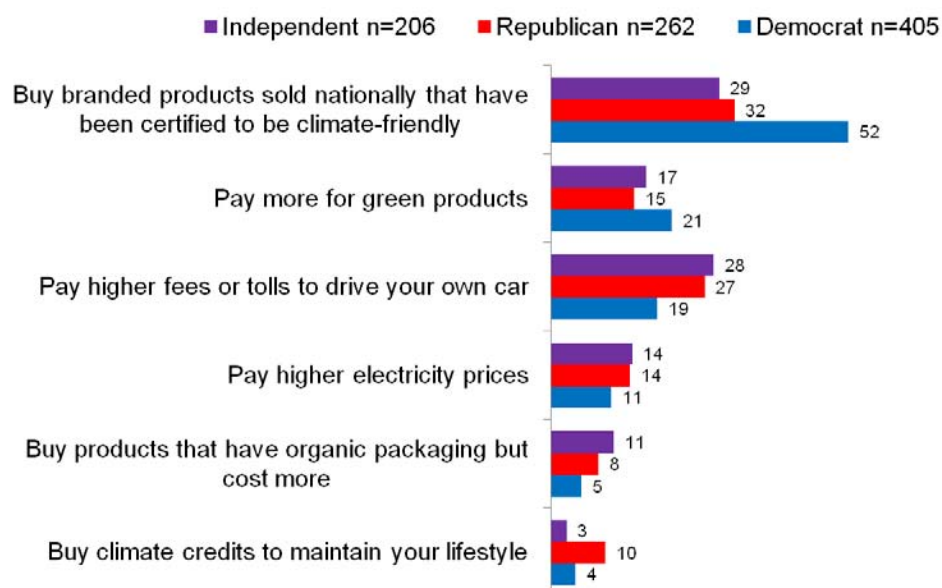
- ❖ More willing to reduce their consumption or be more efficient rather than spending more money on "green" products

- ❖ More focused on “saving” than “paying”
- ❖ Not willing to pay more for services (e.g., electricity and climate credits) as compared to investments (e.g., investing in renewable energy)
- ❖ Desire more community-based, local actions (e.g., carpooling, buying locally or recycling) than actions or purchases that cost money on a national level

The initial two bullets should favor energy conservation campaigns. It signals that people are thinking about evaluating their daily behaviors and realizing that they need to alter how they conduct their lives. Cognitively, people seem to be making the most rational choices. A deeper analysis would be required to investigate better the hidden value drivers.

The fourth bullet points to a marketing opportunity connected to local community engagement. It identifies a critical marketing driver: make choices visible and tangible to local communities.

There are significant differences based on political affiliation:

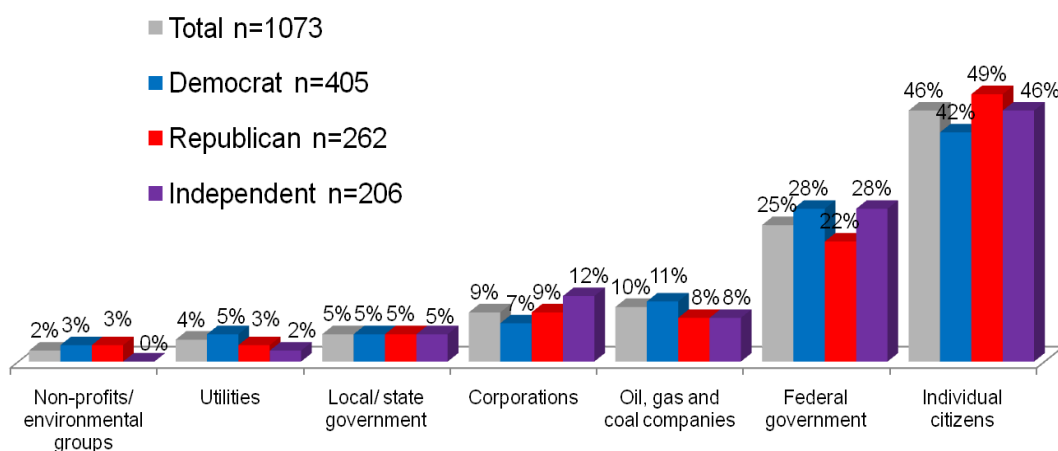


Reducing energy consumption, recycling and investing in renewable energy are the actions most likely to be taken by the most Americans to impact climate change.

Individuals Need To Take Responsibility

Approximately one half (46 percent) of Americans surveyed believe individual citizens have the primary responsibility for reducing climate change, followed by the federal government (25 percent) and oil, gas and coal companies (10 percent). Overall, approximately one quarter of Americans (23 percent) believe that some corporate entity has the primary responsibility. Regardless of political affiliation, however, almost one half of all Americans believe that individuals need to take responsibility.

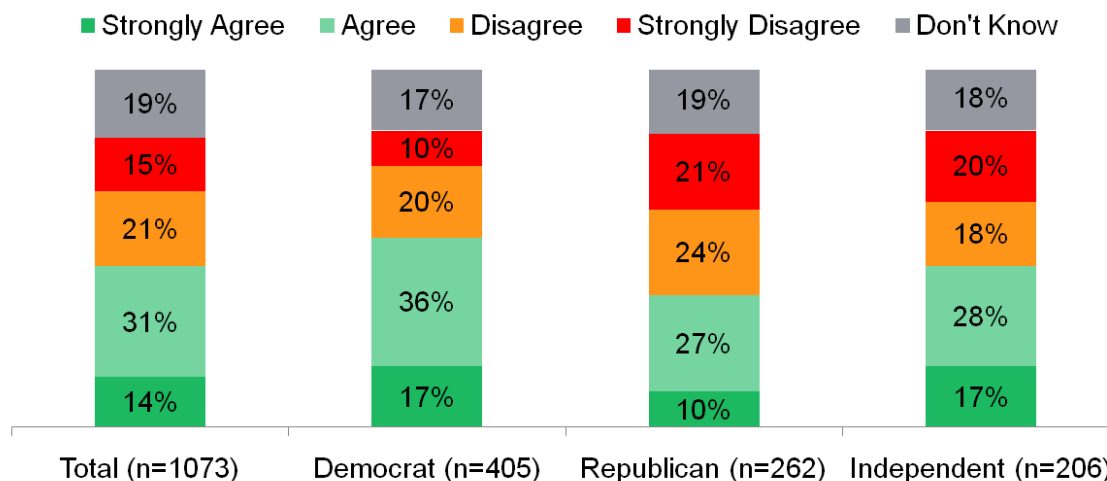
Q6: Who has primary responsibility for reducing climate change in the future?



Majority Agree that Nation Can Afford to Pay Costs

When the respondents were asked if they agree or disagree that the nation can afford to pay for the costs to manage climate change, 45 percent of Americans either strongly agree (14 percent) or agree (31 percent) that the nation can afford to pay for the costs to manage climate change, with 36 percent who disagree or strongly disagree. A sizeable number of Americans (19 percent) indicated that they “don’t know.”

Q7. Given the current economic conditions, do you agree or disagree that the nation can afford to pay for the costs to manage climate change?



Once again, there is a significant difference between respondents depending on their political affiliation, with a 16 point spread between Democrats and Republicans who either “strongly agree” or “agree” that the nation can pay the costs.

Young women (18 – 34) were more likely (51 percent) to disagree or strongly disagree that the nation can pay the cost. Young men (18 – 34), on the other hand, were much more likely (57 percent) to “strongly agree” or “agree” that the costs could be paid. Older women (55+) responded “don’t know” to the question by a larger margin (26 percent) than other demographic groups.

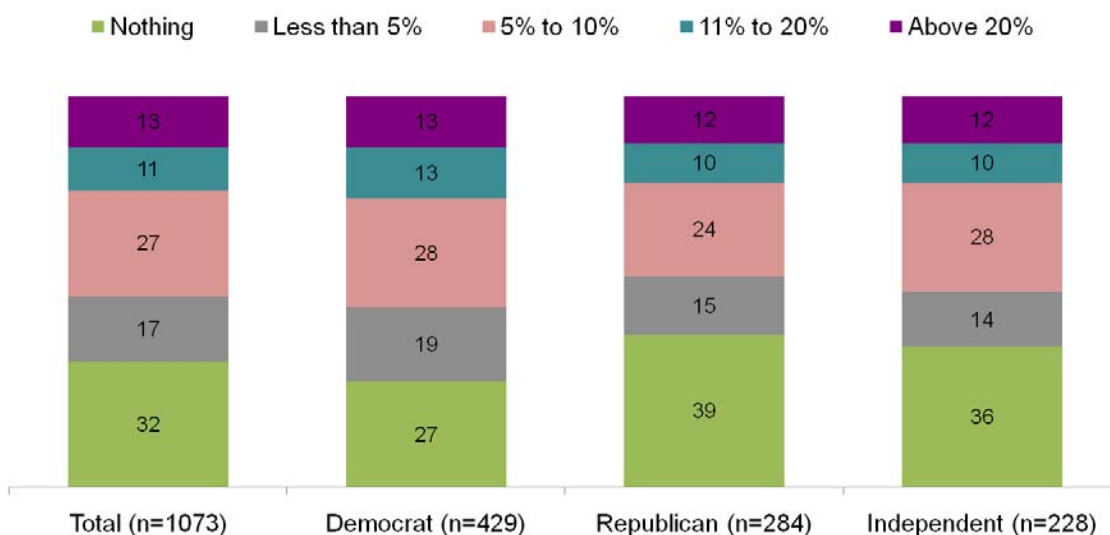
Disconnect on Paying Higher Electricity Bills

Almost one third (32 percent) of Americans believes that “nothing” is required to increase utility bills to manage climate change in the future. Another 44 percent felt that the price increase required would be less than 10 percent. However, the majority of people think there will be some increase in utility bills in order to effectively manage climate change, with one half thinking it will be 5 percent more.

There seems to be a state of denial or disconnect between the price paid for energy consumed and the impact on climate change. This state of denial represents a marketing barrier, highlighting a fundamental, deeply-rooted and emotional refusal to incur additional costs on an individual basis. This is confirmed by later questions (#10 and 11) which highlight how people feel

about making corporations pay. This represents a major marketing barrier especially in worsening economic conditions. Most experts believe it would take price increases well above 5 percent to reflect the full cost of power production on the environment and to induce changes in consumer behavior. However, many Americans do not make that connection and may not fully understand the connection between energy production and climate change.

Q8: How much of a price increase in your electric and gas utility bills do you think it will take to effectively manage climate change in the future?



As shown in the chart above, Republicans and Independents believe any price increase will be a lot less what Democrats believe to be the case.

There is a generational gender divide as well. Forty-two percent of older men (55+) believe that it will cost nothing more on their utility bills to effectively manage climate change as compared to 26 percent of younger men (18 – 34), a 16-point difference. This contrasts with the findings of a previous EcoPinion report which showed baby boomers more attuned to the challenges of conservation and climate change. The difference could be explained by the economic recession which has penalized baby boomers. The generational divide between women is much less (30 percent of older women versus 26 percent of younger women) that responded “nothing.”

Increasing Prices, Increasing Dissatisfaction

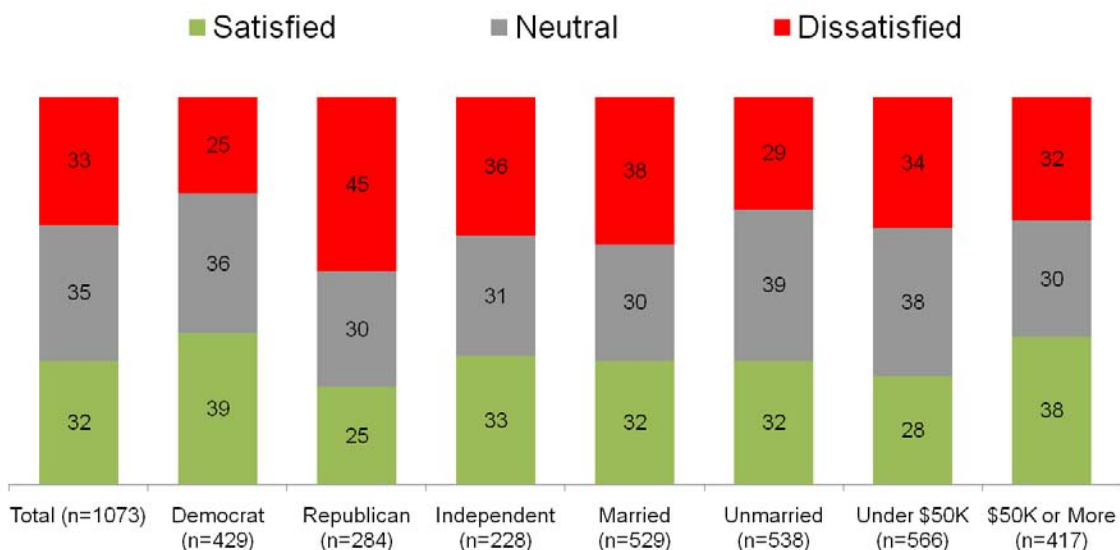
One third of Americans (33 percent) would be very dissatisfied (indicating a 1, 2 or 3 on the sliding scale) if they had to pay 10 percent more on their

electricity bill compared to 22 percent that would be very satisfied (indicating a 7, 8, 9 or 10 on the sliding scale).

As is well-documented, the price of energy is the number one driver of customer satisfaction in the utility sector. Increasing prices has a direct relationship to increasing dissatisfaction. What is interesting, therefore, is that a majority of Americans were either neutral or satisfied if the price would increase 10 percent to effectively manage climate change.

This finding points out another marketing challenge: while people recognize that climate change requires individuals to take action and change behavior, they are not ready to pay more for energy. This is an interesting result especially when compared to findings in question #5 where people indicated that they would be happy to pay more for green, organic products. Both findings point to a cognitive dissonance: people are ready to change behavior, but not if it affects their wallet. This is further evidence that energy is a commodity and that utilities will have to build an additional dimensions of value to be able to increase costs without affecting customer satisfaction and regulatory decisions.

Q9: If you or your family were personally required to pay 10% more for your electricity bill due to the costs of managing climate change, yet were very confident that climate change would be managed effectively into the future with that money, how satisfied or dissatisfied would you be?



Republicans, Independents and Married Couples would be significantly more dissatisfied to pay 10 percent more for electricity. As to be expected, those who can afford to pay more (HHI \$50,000 or more) would be relatively more satisfied to use price increases to effectively manage climate change.

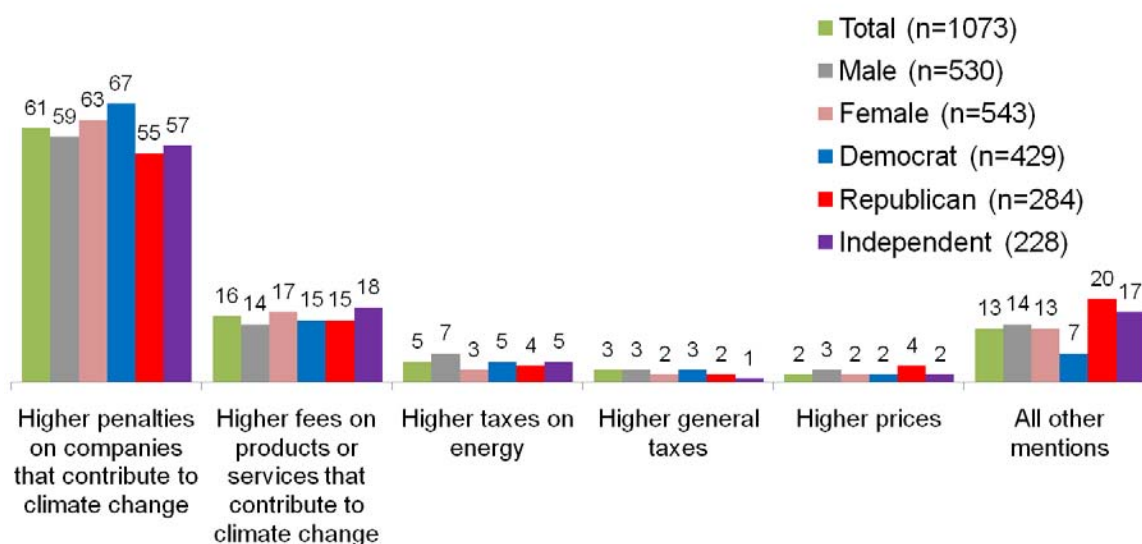
Polluters Should Pay

When asked what the best way for society to pay for the costs of managing climate change, “higher penalties on companies that contribute to climate change” was clearly the top response (61 percent) on the best way for society to pay for the costs of managing climate change, a nearly 45 percent differential with the next top response (16 percent) indicating “higher fees on products or services that contribute to climate change.”

Therefore, while consensus exists that Americans have an individual responsibility to manage impacts associated with climate change, Americans also believe that “the polluter pays” principle holds true, and that corporations which are proven to be the cause of climate change should pay for it first. This finding points clearly to the need for corporations to take action by developing, executing and communicating a roadmap of internal sustainable actions and measures. With public opinion in full agreement towards economic sanctions on the corporate world, politicians will feel more justified in apply pressure to corporations.

This finding points to another result, which is consistent with EcoAlign’s findings during focus groups conducted for clients: people feel it is unfair that they pay more when corporations have greater means to pay. *“If somebody that has more means and resources can pay for the impact of climate change, why should I?”*

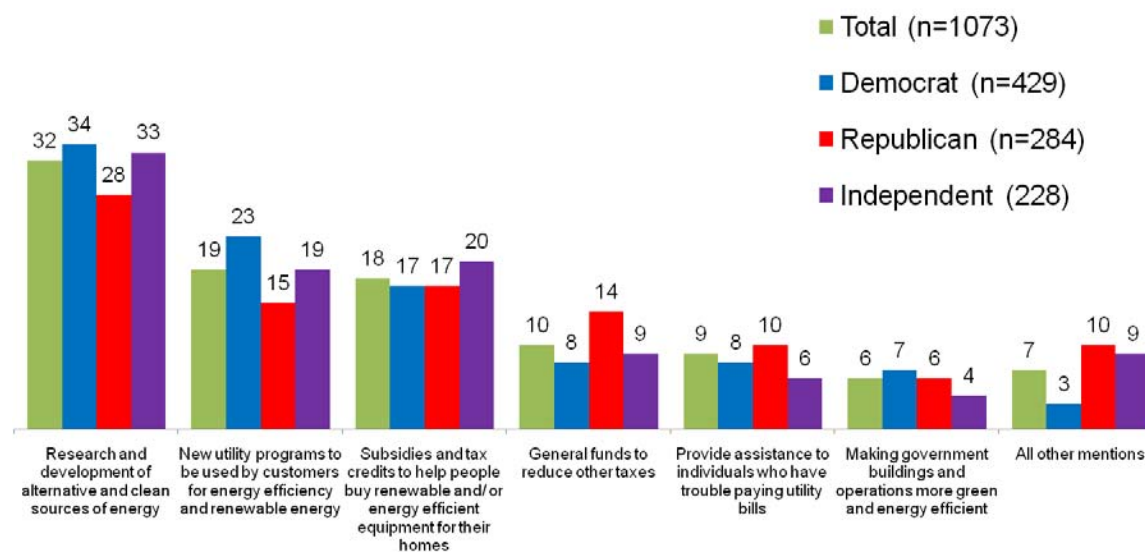
Q10. From your perspective, what is the best way for society to pay for the costs of managing climate change? (One answer)



New Revenue Should Be Spent on R&D for Alternative and Clean Sources of Energy

Approximately one third of Americans (32 percent) believe that any additional tax revenue connected to climate change should be spent on research and development of alternative and clean sources of energy. The next top responses were “new utility programs to be used by customers for energy efficiency and renewable energy” (19 percent) and “subsidies and tax credits to help people buy renewable and/ or energy efficient equipment for their homes” (18 percent). So, while people recognize the utility’s role in helping society addressing climate change, they would not be in favor of a 10% rate increase because it affects their wallet. This is yet another cognitive dissonance that points to how deeply rooted is the “green gap” between stated intentions and actual behavior.

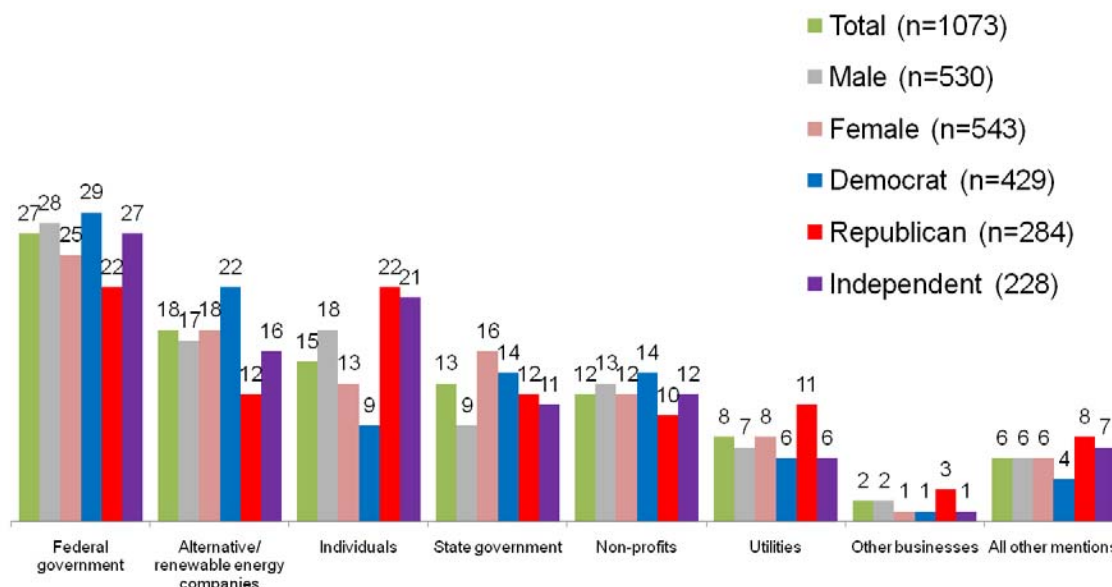
Q11. From your perspective, what is the best way for society to pay for the costs of managing climate change? (One answer)



Government Preferred To Use and Administer New Funds

Forty percent of Americans survey believe that some form of government – federal (27 percent) or state (13 percent) – are in the best position to use and administer new funds to reduce climate change. The next highest responses were “alternative/ renewable energy companies” (18 percent) followed by “individuals” (15 percent).

Q12. Who is best suited to use and administer new funds to reduce climate change?



There were significant differences between Democrats (who preferred a government role) and Republicans (who preferred an individual role). There also was a generational divide on the role of government, with young people (18 – 34) preferring a role for the federal government by an 8-point margin compared to the older generation (55+). Finally, African Americans chose the federal government by an 11-point margin compared to Hispanics.

Consensus on Broad Definition of Climate Change, Differences Around the Specifics

Respondents were given a definition of climate change. One of the many definitions of climate change is any long-term significant change in the “average weather” that a given region experiences. The term is linked to global warming, an increase in the average measured temperature of the Earth’s near-surface air and oceans since the mid-20th century, and its projected continuation. Respondents were then asked how much they agree with the definition. Only 41 percent of Americans strongly agree (indicated 8, 9 or 10) with the provided definition. Of those who did not completely agree with the definition, most could not articulate why they disagree or they feel climate change is due to a natural or normal weather cycle. Responses from those who didn’t agree with the definition included:

- ❖ 18 percent take issue with the science and/ or the technical elements in the definition

- ❖ 5 percent felt that the definition lacked the “human element,” notably human contributions to global warming
- ❖ 15 percent felt that the definition did not include the political element or that it was hard to believe, with a number of respondents in this group feeling that climate change is a “hoax” or “overplayed”

What Does it All Mean?

A broad consensus exists on what climate change means, the importance of climate change and individual responsibility to do something to reduce the impacts of climate change. This consensus breaks down in regard to two dimensions of the problem: 1) what to do, and 2) how to do it. How will we motivate people and corporations to move at a socially and economically acceptable price? A number of challenges exist going forward.

Challenge to Policymakers

The survey results clearly point to how climate change has become politicized to a high degree. Consistently, there were significant differences in the responses based on political affiliation. Given that this was a campaign season with a lot of messaging and policy proposals, this should not be surprising. It does point to the challenge though of communicating to and engaging with individuals that frame climate change in largely political terms.

There is no question that government has a role to play to manage and mitigate the impacts of climate change. The respondents themselves recognize the important role of government to provide the political and legal framework in which individuals and companies will operate. However, there is a good deal of divergence on what the policies should be, particularly in regard to allocating costs and benefits.

The majority of Americans believe that government should set the rules and policies that empower or provide incentives to individual actions. In order to affect optimal, fast change, those actions will be multi-fold and defined by the individuals or social groups themselves.

Policymakers need to “de-politicize” climate change and refrain from using it to score political points. The message and messenger matter a great deal. For example, Al Gore has done an admirable job in pointing out the significance and dangers of climate change; but in staying out front as the spokesperson on climate change, many Republicans believe that climate change is Al Gore’s issue, and by extension, the Democrats’.

In addition to policymakers, other stakeholder groups that seek to influence the political debate may be turning off the individual consumers who ultimately will be responsible for changing their behavior, consumption patterns and purchasing decisions. Many environmental groups in particular have been closely aligned with Democrats. In turn, their messaging in relation to climate change can be seen through a political lens by individuals, and discounted by many Independents and Republicans. To some degree, the same is true of large corporations which are viewed as promoting policies for self-interested reasons.

Challenge to Marketers

As evidenced by previous EcoPinion survey results, the primary challenge to marketers of green products and services is one of value creation. When asked questions connected to cost, paying more for or buying green products and services, consumers consistently chose options that would not cost anything/cost less and with a focus on saving as opposed to purchasing. In short, consumers do not appreciate the value of what is being offered, especially during times of economic distress.

This challenge is relative to the tangibility of the offering, e.g., the visibility, functionality, etc. For example, “buying climate credits to maintain lifestyle” only garnered 6 percent of consumer responses. On the other hand, almost one half of the respondents were more likely to invest in renewable energy. Corporations should pursue and actively communicate their internal carbon footprint reduction and sustainable initiatives to local communities and to employees. This will likely predispose customers to accept and even embrace initiatives that will result in price increases and thus serves as a critical risk management initiative. Electrical utilities have numerous opportunities for changes relevant to their communities. Such initiatives could help to build value around the services provided, and move part of the attention away from price increases. In other words, lead by example.

The differences of opinions among age groups, political groups, income levels also clearly points out that companies need to pick their “ambassadors” (early adopters – the initial evangelist who can move peers and local communities). In particular, women emerge as a segment that is best suited to move the dial around green products, energy conservation and renewable energy. Another opportunity for marketers is provided by the political affiliation – leveraging the values and belief systems that distinguish Republicans and Democrats to build programs and messaging platforms that will compel people to act.

What emerges is a new kind of marketing, which we call cell activation marketing: focusing on activating cells of believers in various critical audiences – the key groups that will become the catalyst for change and the promoters of transformation. Each cell would be activated based on its own specific system of beliefs and values which are deeply rooted and which control our social behavior: from Evangelicals to new graduates to hockey moms to baby boomers. Anyone who doubts the efficacy of this approach should check the efforts of Nike+ or examine what President Elect Obama has been able to achieve. This approach requires companies to think about marketing in a different way – not as a push through activity but as a concerted, integrated effort to stimulate participation, empowerment and action. It is an approach that cultivates and nurture communities, and that rewards and inspires them. Marketing needs to move from persuasion to inspiration in order for consumers to accept the sacrifices that climate change will ask of them.

Another challenge focuses on corporations. This EcoPinion report, along with previous ones, confirms that companies must take action around sustainability. Their customers and local constituencies expect it and frankly even demand it. The perception is that companies have many more means at their disposal to address the challenges of climate change. What are companies doing? Are they acting or is it just “green washing”? It is time for corporations to take action with a clear roadmap for sustainability and to remain internally focused and with external communications. Sustainability is a risk mitigation strategy to address the new political environment.

Challenge to Utilities

Utilities have a dual-edged challenge when it comes to customers and climate change. First, utilities have to manage broad price increases (including for fuel, operations, new programs, etc.) on top of any cost or price increases associated with climate change. Second, utilities own many major sources of emissions. Customers are likely to want the utility to pay for any additional costs due to climate change before seeing increases to their own electricity and gas bills.

From a communications perspective, climate challenge highlights the importance of managing customer expectations, especially around costs. Utilities also have a role to play in offering individuals programs and options to manage their own impacts; however, to be a credible messenger, the utility must take actions to mitigate the company's own carbon footprint first and foremost.

If not managed properly, there is a high probability of decreases in customer satisfaction levels over time caused by: 1) increased costs/ prices passed through to consumers due to climate change, and 2) the utility's role in contributing to emissions that cause climate change.

What Have We Learned?

The report points to a number of tactical recommendations for more effective communications and outreach to engage and drive greater numbers of American to take action to close the green gap, including:

Recommendation No. 1: Segmentation

American consumers are divided on the question of “how” to do something to impact climate change. It is clear that broad-based appeals using traditional channels will be limited in their effectiveness and must be complemented by more targeted, personal appeals to individuals in like-minded subgroups. Segmentation remains critical to identifying the preferences, psychographic attributes and values of audiences in order to reach them. The millennial generation, for example, is different than the baby boomers.

Recommendation No. 2: Messaging

Messaging must not only be tailored and targeted to segmented audiences but must appeal to individuals emotionally. For example, a sizeable group of women are “worried” about climate change. Effective messaging would work to empower women to address their concerns and become hopeful that their personal actions can have an impact. Effective messaging is organic and coded with the frames that identify the group. We advocate and practice a different type of marketing that is focused on cell activation and nurturing driven by the values and beliefs of that particular group.

Recommendation No. 3: Messenger

As important as the message, the choice of messenger is critical. Leaders of the segmented audiences must be identified and leveraged to deliver the message in a credible manner. The most effective messengers are those individuals who are leading by example in regard to their own actions and firmly belong to the segmented group. For example, a conservative Republican will be much more effective to reaching out and engaging other conservative Republicans.

Recommendation No. 4: Engagement

Engagement begins with leaders, but the engagement architecture – platforms, campaign collateral and networks – must be in place for peer-to-peer dissemination of information and calls to action. An Ambassador approach focused on targeted segments and using the full range of media tools and channels, including social media and networking, could be effective.

The Initiative is the Message

Talk is cheap, and green talk is increasingly being perceived as green washing. The government and corporations – those who can lead and pay – need to seriously plan and execute internal energy efficiency initiatives that show real, tangible and visible outcomes to their employees and external audiences, especially at a local level. Only then will their words align with their actions. This alignment will increase the trust and faith that consumers have in government and corporate sector in relation to climate change. Actionable goals and initiatives undertaken by leaders will send a clear message of commitment and authenticity to individuals. And words will matter again and inspire people to act.

For more information about adding questions to future surveys, the EcoPinion subscription series or for customized survey and research efforts, please contact Jamie Wimberly at (202) 483-4443 or jwimberly@ecoalign.com.

For more information about EcoAlign, visit our website at www.ecoalign.com.

Appendix

Methodology

The survey was conducted online from October 17-20, 2008 among a sample of 1073 online adults across the U.S. Figures for gender, age, and geography were weighted where necessary to match their actual proportions in the population.

In theory, with probability samples of this size, one could say with 95 percent certainty that the results have a statistical precision of plus or minus 3.1 percentage points of what they would be if the entire adult population had been polled with complete accuracy. Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (non-response), question wording and question order, and weighting. It is impossible to quantify the errors that may result from these factors. This online survey is not a probability sample.

Online sample for the study was drawn from Survey Sampling International's SurveySpot online consumer panel. Survey Sampling is recognized as the premier sample provider in the market research industry. The SurveySpot panel currently has 1.6 million panel members who are recruited using a wide variety of online and offline methods, including website registrations, email invitations and telephone recruiting. For this study, invitations were e-mailed to potential respondents targeted by gender, age, census region and ethnicity.

These statements conform to the principles of disclosure of the National Council on Public Polls.